

## FREQUENTLY ASKED QUESTIONS

### 1. Why does Caltrans own this land?

There are times when Caltrans must purchase property for highway construction and /or improvement projects and may need to acquire

more land than is required for the project depending upon the impacts of the project to an individual property owner.

Upon completion of construction any land not required by the project is then classified as “Excess Land”.

Excess land may be disposed of in the following ways:

- A. Public Auction: any parcel that can be independently developed.
- B. Direct Sale to adjoining owner: any parcel too small to be independently developed and/or “land locked” without public access.
- C. Incorporated into operating right of way.

### 2. If you don't receive the minimum bid, can I make an offer on the property?

**No.** If there are no bids at the set minimum at the public auction then the parcel valuation will be re-evaluated by the right of way appraisal unit to determine if there has been a change in the current market value.

In addition, to be good stewards of the State and its' taxpayers we must be transparent and impartial and maintain equality for all potential bidders.

## FREQUENTLY ASKED QUESTIONS CONTINUED

**3. What is the difference between a bid deposit and option deposit?**

The **Bid Deposit** is the \$1,000 check required to bid on a property at the public auction. It must be in the form of a Cashier's Check and a separate check is required for each property you wish to bid on. The reason for this is should you be the winning bidder you will be required to submit a \$1,000 check for each winning bid at the end of the auction when completing your paperwork. The Bid Deposit will apply toward the purchase.

The **Option Deposit** is the 5% deposit you must submit within 5 days after the auction you are the winning bidder. The Option Deposit will apply toward the purchase.

**4. I've paid my 5% option deposit and it has been a few weeks since I heard from you. What is going on?**

All property sales must be approved by the California Transportation Commission (CTC) before we can finalize a sale. They meet every two (2) months, for this reason depending upon the length of time between the auction date and the CTC meeting dates, and deadlines for submission of packages, it can take 1 to 3 months for the transaction to be approved by the CTC. Once CTC has given its approval things will proceed quickly, you will be contacted with instruction for final payment and completion of the transaction. After the department records the deed, the county recorder's office will send us the deed so that we can close our file and update our record maps.



## **TERMS OF OPTION DEPOSIT AND OPTION AGREEMENT**

**DEPOSIT:** All bidders must present, at the time of registration, either a **CASHIER'S CHECK** or a **MONEY ORDER** made payable to the **Department of Transportation** in the amount of the **required option deposit**. If you wish to bid on **multiple properties**, please note that a check is required for **EACH** successful bid. **Personal checks will not be accepted.**

**OPTION AGREEMENT:** Immediately after the auction, the authorized Successful High Bidder or its principal as listed on the Auction Registration Sheet for the property (Successful Bidder) shall sign an "Option to Purchase Agreement, for Cash" form for the auctioned property (Option Agreement). By this act and tender of the required deposit, the State shall reserve sale of the property exclusively to the Successful Bidder until the earlier of expiration of the option period or termination of the option, and the Successful Bidder shall be bound to the terms of both this Notice of Sale and the Option Agreement.

**OPTION PERIOD:** The option period shall commence on signature by the Successful Bidder of the Option Agreement and continue until 5 days after the date of the California Transportation Commission (CTC) meeting listed in the Option Agreement, or the next working day thereafter when the 5th day falls on weekend or holiday. The balance of the purchase price, along with any additional charges, shall be paid on or before expiration of the option period, according to the terms of the Option Agreement. In circumstances where the Successful Bidder is unable to complete purchase of the property within the option period for reasons beyond its control, the State, at its discretion, may elect to extend the option period. A charge of 1% of the bid price per month will normally be assessed to the Successful Bidder for such extensions.



Satisfaction of this additional charge SHALL NOT be applied toward payment of the purchase price, and all charges must be satisfied prior to transfer by the State of the property to the Successful Bidder.

## **ALL PROPERTIES ARE SOLD IN “AS IS” CONDITION.**

The Department of Transportation makes no representation as to the potential use of this property. Bidders should check with the local planning department regarding building restrictions, compliance and ultimate development, etc.

## **LIMITING CONDITIONS**

- (1) CASH TERMS: THIS TRANSACTION WILL BE AN ALL CASH SALE.
- (2) Sale of this property is subject to approval by the (CTC). All vesting issues for this sale must be resolved with the State at least six weeks prior to the date of the CTC meeting listed in the Option Agreement to allow administrative clearance by the State.  
  
If the sale is not approved by the CTC at the meeting listed in the Option Agreement, the Option Agreement is void and subject to renovation at the State's discretion. If the Option Agreement is not renewed, the option deposit money will be refunded to the Successful Bidder without interest.
- (3) Interested parties (Bidders), upon request and with written permission, may inspect the property.
- (4) Should a Bidder desire a survey of the property, this may be accomplished by an independent survey at the Bidder's expense. No warranty is made by the State relative to the ground locations or property lines other than monumented highway right of way lines.



(5) An agreement between two or more prospective Bidders to set their bid price or not to submit bids against each other, with the purpose of purchasing this parcel or other parcels at a more advantageous price or terms, is prohibited. Where such agreements come to the knowledge of the Department of Transportation, any bid made pursuant to such an agreement will be disqualified.

(6) Bidders shall be responsible for checking and complying with local building codes and ordinances. All properties are sold in "AS IS" condition. See the local Planning Department for permitted land uses.

7) The property is sold in an "AS IS" condition. The Successful Bidder agrees that, as of the close of escrow, it will be acquiring the property in an "AS IS" condition with all faults and conditions then existing on the property, including any hazardous substances or hazardous wastes that may be located on, under, or around the property, whether known or unknown, and Successful Bidder assumes all responsibilities for such faults and conditions.

(8)The State reserves the right to reject any and all bids and to cancel the sale, in part or in its entirety, at any time prior to approval of the sale by the CTC. The State reserves the right to reject any and all offers and waive any informality or irregularity in any offer or to accept any offer deemed in the best interest of the State. In the event of the cancellation of sale and/or rejection of any bid, the respective deposits of money shall be refunded without interest.

(9)The Successful Bidder shall pay all recording fees, documentary stamp taxes or other real estate transaction taxes or fees by whatever name known, including escrow fees, if any, and personal property sales taxes where applicable.

10) When the sale is approved by the CTC, the Successful Bidder may elect to exercise its option.



At the time of purchase, the option deposit will be credited toward the bid purchase price. The Successful Bidder shall pay all recording fees, if any, and personal property sales taxes where applicable. The Successful Bidder may take possession of the property when the Director's Deed is recorded.

(11) All Caltrans Employees may bid to acquire excess State property except employees who have direct access to information not generally available to the public or who influence the purchase or sale of the Caltrans right of way or other real property.

## **LEAD WARNING STATEMENT**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

The Department of Transportation does not have any records indicating lead-based paint and/or lead-based paint hazards in the property that is being offered for sale. The purchaser is allowed a 10-day period to conduct a lead-based paint inspection or risk assessment at his/her own expense. However, the property is sold in an "AS IS" condition and no remediation will be done by the Department of Transportation.



## **LEAD WARNING STATEMENT (CONT.)**

If a risk assessment is completed by a purchaser within the 10-day period, and the purchaser decides not to exercise his/her Option based on the results of the assessment, the Option Deposit will be refunded without interest. In accordance with the Environmental Protection Agency (EPA) and the Department of Housing and Urban Development (HUD), effective September 6, 1996, all sellers must disclose known lead-based paint and lead-based paint hazards and provide available reports to buyers for any housing built before 1978. Each buyer will receive a pamphlet entitled "Protect Your Family From Lead In Your Home" and be required to sign a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards Form.

## **ADDITIONAL TERMS**

This sale of property is exempt from CEQA. The environmental determination by the State of California Department of Transportation for the sale of this property does not mean that the buyer may not have to obtain subsequent environmental clearance or prepare an environmental document as required by any local agency. Buyer should be aware that if buyer seeks some form of approval or permit for development subsequent to buyer's purchase of this excess property, the local agency might require an environmental document, and/or environmental analysis before giving its approval or permit. The sale of this property is subject to all matters of public record and any easements, claim of easements or reservations not of record. The Department of Transportation does not assume any liability for possible encumbrances on this property. Prospective bidders should consult local title companies if more complete information regarding the title of the property is required.

**REAL ESTATE TAXES:** This property is not assessed for taxes while vested in the State. However, it will be assessed upon transfer to private ownership.

**REGISTRATION:** Check identification required at registration. All potential bidders must show certified funds of \$1,000 in order to register for the auction. **NOTE: A separate \$1,000 Cashier's check or Money Order is required for EACH successful bid.**

The Cashier's check or money order shall be made out to: **California Department of Transportation.** (We do not accept cash or personal checks.)

**BID REGISTRATION DEPOSIT:** Only the successful bidder will provide a deposit of \$1,000, who then has **five (5) calendar days** from the date of auction to make due the balance of the purchase deposit of 5% of the sales price.

